

STATE OF WASHINGTON – COMPLIANCE CHECKLIST 33.00SU

Motor Vehicle Service Contracts used by Wholly Owned Subsidiaries of Motor Vehicle Manufacturers or Import Distributors

Line of Business	Other Lines	Line(s) of Insurance	Code(s)
Code(s):	33.0	Motor Vehicle Service Contract	33.00SU
<p style="text-align: center;">This compliance checklist <u>applies</u> if a motor vehicle service contract provider is a wholly owned subsidiary of a motor vehicle manufacturer or import distributor.</p>			
Service Contract Provider Name:			
Service Contract Provider CIC #:			
General Standards and Penalties			
Registration	RCW 48.110.030(1)	A service contract provider must have a valid registration before the provider can file a service contract.	If a service contractor provider does not include a CIC Number on the Motor Vehicle Service Contract Transmittal Document, the Insurance Commissioner will return the service contract filing to the provider <u>without action</u> .
Transmittal		Filers must use the Motor Vehicle Service Contract Transmittal Document MVSC-TRANS.	If a motor vehicle service contract is filed without MVSC-TRANS, it will be returned to the filer <u>without action</u> .
SERFF		OIC will not accept motor vehicle service contracts service contracts filed through the NAIC SERFF filing system.	If a motor vehicle service contract is filed using SERFF, it will be returned to the filer <u>without action</u> .
Use and File	RCW 48.110.073 (3)	Providers must file motor vehicle service contracts with the commissioner within 60 days after use.	The commissioner will issue a Cease and Desist Order against any provider using a motor vehicle service contract that does not comply with Chapter 48.110 RCW.
General Standards	RCW 48.110.073 (4) RCW 48.110.130	<p>A service contract provider is subject to a cease and desist order if:</p> <ul style="list-style-type: none"> It violates Chapter 48.110 RCW or any order or regulation issued by the commissioner under this chapter; It contains or incorporates by reference any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions; It has any title, heading, or other indication of its provisions that is misleading; or A provider is using deceptive advertising to solicit business. 	
Penalties	RCW 48.110.140	<p>A violation of chapter 48.110 RCW is:</p> <ul style="list-style-type: none"> An unfair or deceptive act or practice in the conduct of trade or commerce; An unfair method of competition, as specifically contemplated by RCW 19.86.020; and A violation of the consumer protection act (chapter 19.86 RCW). 	

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Motor Vehicle Service Contract Requirements				
Requirement	Reference	Description	Complies	Provision #
Arbitration	RCW 7.04A	Washington's Arbitration Act requires binding arbitration (see <u>Godfrey vs. The Hartford Casualty Ins. Co.</u> 142 Wn. 2d 885, 16 P.3d 617).	Yes [] No []	
Arbitration	RCW 48.110.075 (3)	If the contract allows for binding arbitration, the arbitration must be held at a location in close proximity to the contract holder's permanent residence.	Yes [] No []	
Cancellation by Holder	RCW 48.110.075 (4)	The service contract holder may return a service contract if the holder has not made a claim under the contract. Returned service contracts are void from inception date and the contract provider must issue a refund to the contract holder as specified below: <ul style="list-style-type: none"> • If the holder returns the service contract in 9 days or less, the provider must refund the full purchase price of the contract. • If the holder returns the service contract in 10 - 30 days, the provider must refund the full purchase price, less a cancellation charge of up to \$25. • If the holder returns the service contract after 30 days, the provider must refund the purchase price on a pro rata basis and issue a pro rata refund based upon either elapsed time or mileage computed from the date the contract was purchased, less a cancellation charge of up to \$25. 	Yes [] No []	
Cancellation by Provider	RCW 48.110.075 (6)	After the first 60 days, a service contract provider may not cancel the contract and is fully obligated under the terms of the contract.	Yes [] No []	
Civil Actions	RCW 48.110.075 (3)	The State of Washington is the jurisdiction of any civil action in connection with a motor vehicle service contract.	Yes [] No []	

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Requirement	Reference	Description	Complies	Provision #
Claim Filing Procedures	RCW 48.110.075 (2)(f)	<p>The service contract must state the procedure to obtain service or to file a claim, including but not limited to the:</p> <ul style="list-style-type: none"> • Procedures for obtaining prior approval for repair work; • Toll-free telephone number if prior approval is necessary for service; and • Procedures for obtaining emergency repairs performed outside of normal business hours or for obtaining 24-hour telephone assistance. 	<p>Yes []</p> <p>No []</p>	
Deductibles	RCW 48.110.075 (2)(g)	The service contract must state the deductible (if any).	<p>Yes []</p> <p>No []</p>	
Definitions	RCW 48.110.020	<p>Motor vehicle service contracts must be consistent with these definitions:</p> <ul style="list-style-type: none"> • Motor vehicle: RCW 48.110.020(11) • Provider fee: RCW 48.110.020(14) • Reimbursement insurance policy: RCW 48.110.020(15) • Service contract: RCW 48.110.020(16) • Service contract holder: RCW 48.110.020(17) • Service contract provider: RCW 48.110.020(18) 	<p>Yes []</p> <p>No []</p>	
Disclosure	RCW 48.110.075 (2)(e)(i)	<p>Each service contract must contain conspicuous statements that disclose any material conditions that the service contract holder must comply with to keep coverage including, but not limited to:</p> <ul style="list-style-type: none"> • Maintenance schedule to which the service contract holder must adhere; • Requirement placed on the service contract holder for documenting repair or maintenance work; • Duty to protect against any further damage, and • Procedure the service contract holder must follow to file a claim. 	<p>Yes []</p> <p>No []</p>	

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Disclosure	RCW 48.110.075 (2)(e)(ii)	Each service contract must contain conspicuous statements that disclose the work and parts covered by the contract.	Yes [] No []	
Disclosure	RCW 48.110.075 (2)(e)(iii)	Each service contract must contain conspicuous statements that disclose time or mileage limitations.	Yes [] No []	
Disclosure	RCW 48.110.075 (2)(e)(iv)	Each service contract must contain conspicuous statements that disclose the implied warranty of merchantability on the motor vehicle is not waived if: <ul style="list-style-type: none"> • The contract was purchased within ninety days of the purchase date of the motor vehicle, and • The provider or service contract seller also sold the covered motor vehicle. 	Yes [] No []	
Disclosure	RCW 48.110.075 (2)(e)(v)	Each service contract must contain conspicuous statements that disclose any coverage exclusions.	Yes [] No []	
Disclosure	RCW 48.110.075 (2)(e)(vi)	Each service contract must contain conspicuous statements that disclose the contract holder's right to return the contract for a refund under RCW 48.110.075(4) .	Yes [] No []	
Pre-Existing Conditions	RCW 48.110.075 (2)(i)	The service contract must state whether the service contract covers or excludes consequential damages or preexisting conditions.	Yes [] No []	
Provider Penalty Late Fee Refund	RCW 48.110.075 (4)(c)	If the service contract provider does not issue a refund within 30 days from the date the holder returns the service contract, the provider must add a 10% penalty to the refund.	Yes [] No []	
Reimbursement Policy Guarantee	RCW 48.110.075 (2)(b)	Each service contract must conspicuously state the: <ul style="list-style-type: none"> • Service contract provider's obligations to the service contract holder are guaranteed under the reimbursement insurance policy; • Name and address of the issuer of the reimbursement insurance policy and applicable policy number; and • Process for filing a claim under the reimbursement policy. 	Yes [] No []	

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Service Contract Provider Name and Type of Product	RCW 48.110.080 RCW 48.110.075 (2)(c)	<ul style="list-style-type: none"> • A service contract provider must conduct its business in its own legal name, unless the commissioner has approved the use of another name. • Each service contract must conspicuously state the name and address of the service contract provider. • Service contract providers must not use any words descriptive of the insurance, casualty, guaranty, or surety business in its name. If an existing name currently uses prohibited language in its name, its service contracts must conspicuously state: "This agreement is not an insurance contract." 	Yes [] No []	
Transferability	RCW 48.110.075 (2)(h)	The service contract must state any restrictions governing the transferability of the contract.	Yes [] No []	